



**VILLAGE OF BURTON  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF BURTON  
GEAUGA COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building  
615 Superior Avenue, NW.  
Twelfth Floor  
Cleveland, Ohio 44113-1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Burton  
Geauga County  
14588 West Park Street  
Burton, Ohio 44021

To the Village Council:

We have audited the accompanying financial statements of the Village of Burton, Geauga County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Burton, Geauga County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

**Jim Petro**  
Auditor of State

May 31, 2002

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$413,711	\$121,711	\$553,600		\$1,089,022
Special Assessment		\$25,545			25,545
Intergovernmental Receipts	119,001	94,504			213,505
Charges for Services	10,695	7,335			18,030
Fines, Licenses, and Permits	3,795	9,627			13,422
Earnings on Investments	17,436	5,977			23,413
Miscellaneous	1,885	11,024	118		13,027
Total Cash Receipts	<u>566,523</u>	<u>275,723</u>	<u>553,718</u>	<u>\$0</u>	<u>1,395,964</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property		258,769			258,769
Public Health Services		14,074			14,074
Leisure Time Activities	11,454				11,454
Community Environment	12,105	7,843			19,948
Transportation		122,825			122,825
General Government	105,309	2,199			107,508
Debt Service:					
Principal Payments			13,878		13,878
Capital Outlay		6,537	818,424		824,961
Total Cash Disbursements	<u>128,868</u>	<u>412,247</u>	<u>832,302</u>	<u>0</u>	<u>1,373,417</u>
Total Receipts Over/(Under) Disbursements	<u>437,655</u>	<u>(136,524)</u>	<u>(278,584)</u>	<u>0</u>	<u>22,547</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In		203,846	214,710		418,556
Transfers-Out	(352,290)	(27,547)			(379,837)
Other Uses				(2,226)	(2,226)
Total Other Financing Receipts/(Disbursements)	<u>(352,290)</u>	<u>176,299</u>	<u>214,710</u>	<u>(2,226)</u>	<u>36,493</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	85,365	39,775	(63,874)	(2,226)	59,040
Fund Cash Balances, January 1, 2001	<u>287,296</u>	<u>146,763</u>	<u>144,254</u>	<u>2,226</u>	<u>580,539</u>
<b>Fund Cash Balances, December 31, 2001</b>	<b><u>\$372,661</u></b>	<b><u>\$186,538</u></b>	<b><u>\$80,380</u></b>	<b><u>\$0</u></b>	<b><u>\$639,579</u></b>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$474,343		\$474,343
Miscellaneous	48,267		48,267
Total Operating Cash Receipts	<u>522,610</u>	<u>\$0</u>	<u>522,610</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	121,142		121,142
Travel Transportation	399		399
Contractual Services	151,582	400	151,982
Supplies and Materials	14,293		14,293
Capital Outlay	29,291		29,291
Total Operating Cash Disbursements	<u>316,707</u>	<u>400</u>	<u>317,107</u>
Operating Income/(Loss)	<u>205,903</u>	<u>(400)</u>	<u>205,503</u>
<b>Non-Operating Cash Receipts:</b>			
Miscellaneous	24,919	534	25,453
Total Non-Operating Cash Receipts	<u>24,919</u>	<u>534</u>	<u>25,453</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	112,935		112,935
Other Non-Operating Cash Disbursements	2,250		2,250
Total Non-Operating Cash Disbursements	<u>115,185</u>	<u>0</u>	<u>115,185</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	115,637	134	115,771
Transfers-In	136,700		136,700
Transfers-Out	<u>(175,419)</u>		<u>(175,419)</u>
Net Receipts Over/(Under) Disbursements	76,918	134	77,052
Fund Cash Balances, January 1, 2001	<u>556,901</u>	<u>23,210</u>	<u>580,111</u>
<b>Fund Cash Balances, December 31, 2001</b>	<b><u>\$633,819</u></b>	<b><u>\$23,344</u></b>	<b><u>\$657,163</u></b>

*The notes to the financial statements are an integral part of this statement.*



**VILLAGE OF BURTON  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$402,029	\$79,103			\$481,132
Special Assessments		46			46
Intergovernmental Receipts	70,118	78,142			148,260
Charges for Services	76	10,739		\$1,688	12,503
Fines, Licenses, and Permits	3,386	9,117			12,503
Earnings on Investments	26,632				26,632
Miscellaneous	18,823	10,949			29,772
<b>Total Cash Receipts</b>	<b>521,064</b>	<b>188,096</b>	<b>\$0</b>	<b>1,688</b>	<b>710,848</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property		219,783			219,783
Public Health Services	2,112	10,225			12,337
Leisure Time Activities	11,723				11,723
Community Environment	9,335			1,312	10,647
Transportation		139,574			139,574
General Government	104,572				104,572
Debt Service:					
Principal Payments			5,628		5,628
Capital Outlay		28,608	160,871		189,479
<b>Total Cash Disbursements</b>	<b>127,742</b>	<b>398,190</b>	<b>166,499</b>	<b>1,312</b>	<b>693,743</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>393,322</b>	<b>(210,094)</b>	<b>(166,499)</b>	<b>376</b>	<b>17,105</b>
<b>Other Financing Receipts and (Disbursements):</b>					
Sale of Fixed Assets			4,613		4,613
Transfers-In		254,500	227,000		481,500
Advances-In	500			500	1,000
Transfers-Out	(390,500)	(27,000)			(417,500)
Advances-Out	(500)			(500)	(1,000)
Other Uses	(107)	(10,425)			(10,532)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(390,607)</b>	<b>217,075</b>	<b>231,613</b>	<b>0</b>	<b>58,081</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>2,715</b>	<b>6,981</b>	<b>65,114</b>	<b>376</b>	<b>75,186</b>
Fund Cash Balances, January 1, 2000	284,581	139,782	79,138	1,850	505,351
<b>Fund Cash Balances, December 31, 2000</b>	<b><u>\$287,296</u></b>	<b><u>\$146,763</u></b>	<b><u>\$144,252</u></b>	<b><u>\$2,226</u></b>	<b><u>\$580,537</u></b>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$489,820		\$489,820
Miscellaneous	33,295		33,295
Total Operating Cash Receipts	<u>523,115</u>	<u>\$0</u>	<u>523,115</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	115,371		115,371
Fringe Benefits	292		292
Contractual Services	175,435		175,435
Supplies and Materials	17,311		17,311
Capital Outlay	27,123		27,123
Total Operating Cash Disbursements	<u>335,532</u>	<u>0</u>	<u>335,532</u>
Operating Income/(Loss)	<u>187,583</u>	<u>0</u>	<u>187,583</u>
<b>Non-Operating Cash Receipts:</b>			
Miscellaneous	32,976	786	33,762
Total Non-Operating Cash Receipts	<u>32,976</u>	<u>786</u>	<u>33,762</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	111,260		111,260
Other Non-Operating Cash Disbursements	2,250		2,250
Total Non-Operating Cash Disbursements	<u>113,510</u>	<u>0</u>	<u>113,510</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	107,049	786	107,835
Transfers-In	152,840		152,840
Transfers-Out	<u>(216,841)</u>		<u>(216,841)</u>
Net Receipts Over/(Under) Disbursements	43,048	786	43,834
Fund Cash Balances, January 1, 2000	<u>513,853</u>	<u>22,424</u>	<u>536,277</u>
<b>Fund Cash Balances, December 31, 2000</b>	<b><u>\$556,901</u></b>	<b><u>\$23,210</u></b>	<b><u>\$580,111</u></b>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Burton, Geauga County, Ohio (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council and Mayor. The Village provides general governmental services, including water and sewer, park operations (recreation), and police services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The repurchase agreements are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

*Police Department Fund* - This fund is used to account for property taxes and transfers from the General Fund which is used to pay for the police department obligations.

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant Capital Project Funds:

*Goodwin/Peckham/Hickox Project Issue II Fund* - This fund is used to pay for water, sanitary & storm sewer line improvements.

*Street Capitalization Fund* - This fund is used to pay for street repair projects within the Village.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

*Waterworks Operating Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*Sewer Operating Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**5. Fiduciary Funds (Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant fiduciary funds:

*Umberfied Subdivision/Shannon Court Subdivision/Indian Ridge Subdivision Funds* – These funds are used to hold deposits from persons, firms or corporations to cover the costs incurred by the Village to review any proposals and perform inspections.

*Ford Memorial Endowment Fund* - This fund is for maintenance of the Cemetery.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2001	2000
Demand deposits	\$145,834	\$31,056
Total deposits	145,834	31,056
STAR Ohio	750,049	720,205
Repurchase agreement	400,859	409,387
Total investments	1,150,908	1,129,592
Total deposits and investments	\$1,296,742	\$1,160,648

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. The Sweep Account is held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$483,081	\$566,523	\$83,442
Special Revenue	555,915	479,569	(76,346)
Capital Projects	906,050	768,428	(137,622)
Enterprise	696,300	684,229	(12,071)
Nonexpendable Trust	650	534	(116)
Total	<u>\$2,641,996</u>	<u>\$2,499,283</u>	<u>(142,713)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$668,191	\$481,158	\$187,033
Special Revenue	627,467	439,794	187,673
Capital Projects	1,030,400	832,302	198,098
Expendable Trust	2,228	2,226	2
Enterprise	985,600	607,311	378,289
Nonexpendable Trust	1,000	400	600
Total	<u>\$3,314,886</u>	<u>\$2,363,191</u>	<u>\$951,695</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$478,261	\$521,064	\$42,803
Special Revenue	495,050	442,596	(52,454)
Capital Projects	712,100	231,613	(480,487)
Expendable Trust	8,000	1,688	(6,312)
Enterprise	680,800	708,931	28,131
Nonexpendable Trust	650	786	136
Total	<u>\$2,374,861</u>	<u>\$1,906,678</u>	<u>(\$468,183)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$697,975	\$518,349	\$179,626
Special Revenue	584,063	435,615	148,448
Capital Projects	764,295	166,499	597,796
Expendable Trust	9,851	1,312	8,539
Enterprise	1,038,400	665,883	372,517
Nonexpendable Trust	700	0	700
Total	<u>\$3,095,284</u>	<u>\$1,787,658</u>	<u>\$1,307,626</u>

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. LOCAL INCOME TAX**

The Village levies an income tax of 1% on gross salaries, wages and other personal service compensation earned by residents of the Village and on the earnings of nonresidents working within the Village. The tax applies to the net income of businesses operating within the Village.

**6. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Revenue Bonds - Water E6A	\$210,000	7.13%
Mortgage Revenue Bonds - Sewer E6B	184,000	5.00%
Special Assessment Bonds	265,000	5.25 & 6.15%
Ohio Public Works Issue II Loan - D7	11,154	0%
Ohio Public Works Issue II Loan - D8	16,883	0%
Ohio Public Works Issue II Loan - D9	156,750	0%
Total	<u>\$843,787</u>	

The Mortgage Revenue Bonds – Water, relate to a water construction project in 1987. The bonds were issued in the amount of \$550,000 and will be repaid in annual varying principal installments plus interest over 20 years.

The Mortgage Revenue Bonds – Sewer, relate to a sewer construction project in 1976. The bonds were issued in the amount of \$296,000 and will be repaid in annual varying principal installments plus interest over 40 years.

The Special Assessment Bonds relate to a water main construction project. The special Assessment Bonds were issued in the amount of \$323,000. The Bonds will be repaid in annual varying principal installments plus interest over 15 years.

**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**6. DEBT (Continued)**

The Ohio Public Works Issue II Loan – D7, relate to ammonia and phosphorous treatments for the water treatment plant. This no interest loan was issued in 1996 in the amount of \$83,650 and will be repaid in annual installments of \$11,153 over 7 years.

The Ohio Public Works Issue II Loan – D8, relate to water main replacement and road repaving construction project. This no interest loan was issued in 1995 in the amount of \$59,463 and had an initial payment of \$8,814 and the remaining amount will be repaid in annual installments of \$5,628 over 9 years. This debt is being paid from a Capital Projects Fund.

The Ohio Public Works Issue II Loan – D9, relate to water, sanitary & storm sewer line improvements. This no interest loan was issued in 2001 in the amount of \$165,000 and will be repaid in semi-annual installments of \$ 8,250 over 10 years.

Amortization of the above debt, including interest, is scheduled as follows:

	Mortgage Revenue Bonds- Water	Mortgage Revenue Bonds-Sewer System	Special Assesment Bonds	Ohio Public Works Issue II Loan -D7	Ohio Public Works Issue II Loan -D8	Ohio Public Works Issue II Loan -D9
Year ending December 31:						
2002	\$49,963	\$18,200	\$33,913	\$11,154	\$5,628	\$16,500
2003	52,469	17,750	32,863		5,628	16,500
2004	49,619	17,300	33,838		5,627	16,500
2005	51,769	17,850	32,608		0	16,500
2006	53,563	17,350	31,378		0	16,500
Subsequent	0	177,450	170,055		0	74,250
Total	<u>\$257,383</u>	<u>\$265,900</u>	<u>\$334,655</u>	<u>\$11,154</u>	<u>\$16,883</u>	<u>\$156,750</u>

**7. RETIREMENT SYSTEMS**

The Village's full time law enforcement officers belong to Ohio Police and Fire Pension Funds (OP&F). Other full-time employees and part-time law enforcement officers belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages to OP&F. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.



**VILLAGE OF BURTON  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Village also provides health insurance to full-time employees through a private carrier.

**9. CONTINGENT LIABILITIES**

The Village is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

**JIM PETRO, AUDITOR OF STATE**

Lausche Building  
615 Superior Avenue, NW.  
Twelfth Floor  
Cleveland, Ohio 44113-1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Burton  
Geauga County  
14588 West Park Street  
Burton, Ohio 44021

To the Village Council:

We have audited the accompanying financial statements of the Village of Burton, Geauga County, Ohio (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 31, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 31, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 31, 2002.

This report is intended solely for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

May 31, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF BURTON**

**GEAUGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2002**